

# FISCAL NOTE

## HB 2447

January 17, 2006

**SUMMARY OF BILL:** Requires all insurers authorized to transact property insurance in the State of Tennessee to make available coverage for insurable sinkhole losses on any structure, including contents of personal property contained therein.

### ESTIMATED FISCAL IMPACT:

**Increase State Revenues – Exceeds \$100,000**


**Increase State Expenditures – Not Significant**

Assumptions:

- There will be an increase in the number of sinkhole policies written resulting in the collection of additional premium dollars by insurance companies. Therefore there will be an increase in state revenues from the collection of premium taxes from insurance companies. It is unknown how many sinkhole policies will be purchased, but it is expected that premium taxes paid on such policies will exceed \$100,000 annually.
- There will be an increase in state expenditures to implement and monitor the provisions of this bill.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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